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ABSTRACT

Small and mid-sized companies provide substantial opportunities for many U.S. workers. The nature of work and the culture of workplaces are changing as dramatically as the employment statistics. A company's success or failure may ride on the knowledge and skills of a handful of employees. Employees in small and mid-sized companies--both highly trained professionals with advanced degrees and front-line workers--are wearing more hats; they need specialized skills to perform their jobs and more general skills, such as the following: business skills, computer and mechanical skills, quality management skills, problem-solving skills, and social skills. In such companies, the nature of work changes from project to project, and, in a constantly changing business environment, every project demands fresh thinking from talented professionals. The new rules of work are flexibility and fluidity. For many businesses, their business is about "finding out what is next" before the competition does. Employees must share knowledge and information, exchange ideas, and create bold solutions for clients and customers. A physical work environment that fosters collaborations features large, open workspaces in which employees are able to interject new ideas into colleagues' open work groups. A new notion of workplace learning is co-mentoring: rather than a pairing of older and younger workers, mentoring involves people of any age sharing knowledge. (YLB)

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NATIONAL ALLIANCE OF BUSINESS

Work•America

THE BUSINESS VOICE ON WORKFORCE DEVELOPMENT

ED 429 185

Entrepreneurial Gazelles 'Informalize' the Learning Curve

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For almost 90 percent of American workers, the heartbeat of the opportunity economy pulses in the small and mid-sized companies where they work. The average business establishment today employs just 15 people — small enough for everyone to share a single water cooler.

Chances are, these people are experiencing the dynamic, churning labor market firsthand. In 1968, Fortune 500 firms accounted for about 20 percent of total employment; by 1994, that share had decreased to about 10 percent, according to data from Kemper Financial Services. That trend is continuing.

As large corporations shed workers, smaller companies are absorbing talented people with what seems like insatiable voracity. On average, firms with between one and 19 employees grew six times faster from 1992 to

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In fast-growing small and mid-sized companies, workplace learning is essential for success. With entrepreneurial style, these companies are creating flexible and informal ways to educate and train employees.

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Entrepreneurial Gazelles

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1996 than firms with between 100 and 4,999 employees, according to data from Cognetics, Inc.

Chalk it up to Americans' startling ability to reinvent themselves and their work. Talented workers who have left big companies have started their own firms or joined smaller companies in a groundswell of renewal for the U.S. economy. The number of sole proprietorships nearly doubled between 1980 — the midst of downsizing — and 1995, rising from 8.9 million to 16.4 million, according to the U.S. Census Bureau. (For more data on workforce trends, see page 3.)

Smaller Companies, More Knowledge

The nature of work and the culture of workplaces are changing as dramatically as the employment statistics. Fast-growing small and mid-sized companies, like most companies today, put a premium on knowledge and skills. They have to. The success or failure of a company may ride on the brain power of a handful of employees — literally.

"In a company with 50 people, everyone has to be able to do more and be more flexible than in a company with 10,000 people," says Barry Rogstad, president of the American Business Conference, a coalition of rapidly growing entrepreneurial firms. "The need to be a jack of all trades is much higher."

Workforce issues weigh heavily on executives of growing companies. "From an operating standpoint, this is a core, fundamental determinant of the future of their business," Rogstad says. "A huge percentage of a CEO's time is spent on thinking about how to go out and get capital — both financial and human — to grow the business."

"In a company with 50 people, everyone has to be able to do more and be more flexible than in a company with 10,000 people. The need to be a jack of all trades is much higher."

— Barry Rogstad, president of the American Business Conference

"Your ability to innovate is related directly to the quality of your people," confirms Gene McGrevin, chairman of two medical technology companies in Norcross, Ga.

McGrevin knows only too well how important talent is to maintaining sure footing in the marketplace. One of his companies, Isolyser, is on the comeback trail after a promising product, used to sterilize and dispose of medical waste, was beset with manufacturing quality problems.

"The organization did not have the skill sets required to put quality processes in place," says McGrevin, who was brought in after the product setback to turn the company around. "I don't care if you have the most brilliant patent in the world. You have to have quality people to produce it."

Specialists and Generalists

McGrevin's other company, P.E.T.Net™ Pharmaceutical Services LLC, relies on the scarce talent of nuclear pharmacists, who are trained at only a few universities in the country. The pharmacists produce and package a radioactive isotope used to detect cancer cells. This high-tech drug is perishable, effective for only a few hours. So the pharmacists work in small teams, typically of just two to five people, at regional labs close to diagnostic centers.

In this environment, the highly trained professionals need more than specialized scientific skills to perform their jobs. They need solid business skills to run the labs, computer and mechanical skills to operate sophisticated equipment, quality management skills to meet regulations from the U.S. Food & Drug Administration, and problem-solving skills to handle difficulties on their own.

As McGrevin says, he thinks of himself not so much as the chairman but as the "director of miscellaneous," solving every problem that comes his way. Clearly, by design or default, employees in small and mid-sized companies are wearing more hats as well.

This is true not just for highly trained professionals with advanced degrees, but also for front-line workers. At Sealed Air, based in Saddle Brook, N.J., manufacturing operators need a broad range of technical and general skills to produce protective packaging for use in the food, mailing and consumer industries.

On a typical day, for example, operators set up machines that are

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two stories high and 100 feet long. They read product orders, figure out how much raw material they need, operate the machines, monitor product quantity, compute how much raw material has been used and inventory the product. And they work in teams to perform these tasks.

Operators must be at least high school graduates with 12th-grade computational skills, 10th-grade reading skills, good mechanical understanding and reasoning skills, and good keyboarding and computer skills. Clarence Whittenburg, Sealed Air's manager of training and development, describes these qualifications and skills as the "basic reading and math skills" required simply to learn the operator job.

"We're hitting harder now on social skills, teamwork and the need to be able to work with diverse co-workers," Whittenburg says.

The New Rules of Work: Flexibility, Fluidity

In small and mid-sized companies, the nature of work changes from project to project — and in a constantly changing business environment, every project demands fresh thinking from talented professionals.

"Your ability to innovate is related directly to the quality of your people."

— Gene McGrevin, chairman of Isolyser and P.E.T.Net™ Pharmaceutical Services LLC

For Bill Baldwin, president and CEO of Baldwin Resource Group, Inc., of Bellevue, Wash., bringing together teams of people with the right skills is a fine art in today's project-based work environment. Baldwin Resource Group provides professional services to businesses, such as representing companies in mergers and acquisitions, commissioning insurance coverage, or negotiating investment banking deals.

That's a wide range of services for a company with a staff of just eight employees. Baldwin rounds out his project teams by culling from his network of 28 "associates," including freelancers, part-timers and even full-time workers at other companies who have specific expertise in banking, insurance or accounting, for example.

Baldwin, a businessman in the Puget Sound region for almost 25 years, looks for people who can jump into a project and add value immediately. It takes experience, intelligence and the ability to work effectively with people — which is especially important when the projects and the teams are constantly in flux.

Keep Your Thinking Cap on: Intensity, Informality

P3M, a rapidly growing marketing communications firm in Los Gatos, Calif., is making up new rules of work with Silicon Valley panache.

Roger Sanford, P3M president, is both highly philosophical and brutally literal about the information age. His business — like many businesses today — is about "finding out what's next" before the competition does. To do that, people need to share knowledge and information, exchange ideas, and create bold solutions for clients and customers.

P3M's physical environment fosters these kinds of collaborations: a large, open workspace where 37 employees interact. People eavesdrop and interject new ideas into their colleagues' open work groups — politely. Here, too, "basic manners" are essential from the top down, Sanford adds.

"It's like a big, one-room schoolhouse where everyone helps everyone else out," he says. "There are no cubicles." He points out that the word "cubicle" comes from Cubist monks, who wrote texts by hand in isolation before the printing press was invented. The private islands in the seas of workers are outdated, he believes.

Take the gray-haired sages and youthful students out of mentoring and replace them with people of any age sharing knowledge.

Sanford also subscribes to a notion of workplace learning he calls "co-mentorism." Translation: Take the gray-haired sages and youthful students out of mentoring and replace them with people of *any* age sharing knowledge.

At P3M, co-mentoring is a reality. A 19-year-old "whiz kid" is in charge of the computer network; other employees are learning from him, Sanford says, while he is learning business skills from them. And a "brilliant" 23-year-old woman is challenging older workers with her creativity.

Sanford likens his entrepreneurial business to a "think tank," where talented workers with unique skills sets are focused intently on what's next. ●

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The National Alliance of Business is the only national, nonprofit, business-led organization focused solely on human resource issues. The Alliance and its member companies are leading efforts to improve American education, build bridges from school to work, expand lifelong learning opportunities for all workers, and implement workforce development and job-placement systems that meet the needs of employers and job seekers.

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Plan Now for These Coming Events

The National Alliance of Business has a number of events in the offing for the coming few months. Plan now to join us for these personal or virtual learning and networking opportunities:

May 3–4. New Twist Institute. Teachers and worksite supervisors from Alliance and Business Coalition for Education Reform partners will come together to share knowledge about exemplary educator-in-the-workplace programs. To learn more, call 800/787-2848.

May 6. Quality in the Classroom: How Students and Teachers Co-Manage Their Learning Processes. The Alliance and JCPenney bring you the seventh teleconference in this JCPenney Leadership Institute Series. This teleconference highlights what needs to happen systemwide, from the classroom to the boardroom, to create, reinforce and sustain results-driven learning environments. To downlink to this free teleconference, call 800/787-2848.

Sept. 26–28. National Alliance of Business Annual Conference, Renaissance Hotel, Washington, D.C. To register, call 800/787-2848.

Nov. 2. National Alliance of Business Founders Awards for Distinguished Business Leadership.

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